

*BEST COPY
Available*

INFORMATION REPORT

COUNTRY Czechoslovakia/Soviet Zone of Germany USSR DATE DISTR. 13 October 1948

SUBJECT Trade Treaty of 17 July 1948 between Czechoslovakia and the Soviet Zone of Germany NO. OF PAGES 11

PLACE ACQUIRED 25X1A

DATE OF ACQUISITION

NO. OF ENCLS.
(LISTED BELOW)

This document is hereby regraded **SECRET** SUPPLEMENT TO REPORT NO.

25X1X

The following text in English translation of a trade treaty signed 17 July 1948 between the Czechoslovak Republic and the Soviet Occupation Zone of Germany is based on a German translation of the Czech original.

Section one contains a note from the Central Office of the Czechoslovak Chambers of Commerce and Industry in Prague to its affiliates, mentioning refusal of the CSR Foreign Trade Ministry to allow them access to the lists accompanying the present treaty. Section two is a cover letter, transmitting the trade treaty, exclusive of lists, to affiliates of the Chambers of Commerce and Industry. Section three contains the full text of the trade treaty itself.

Lists 1 and 2, cited in the text of the trade treaty, comprising lists of goods to be delivered from the Soviet Zone of Germany to the CSR and from the CSR to the Soviet Zone of Germany, respectively, are included here under Appendices A and B, respectively.

TRANSLATION

1. Note from Central Office, Czechoslovak Chambers of Commerce and Industry in Prague.

File No. 13.291/U

Prague, 10 August 1948

Document No.

To all Chambers of Industry and Commerce

NO CHANGE in Class. ☐

Class. CHANGED TO: TS S C

Auth: CDA 343, 4 Apr 77

Auth: ABA 343, 7/1/76

Date: 1 JUL 1978

Trade Agreement for Exchange of Goods between the CSR and the Soviet Zone of Germany, 13066/U of 4 August 1948

We have requested the Foreign Trade Ministry to make available to us, for

CENTRAL INTELLIGENCE AGENCY

- 2 -

the CSR and the Soviet Zone of Germany.

The competent office, however, refused to distribute the lists to us, basing their refusal on instructions they had received. Nevertheless, the Ministry is inclined to let us look the lists over, or even, in the event that some specific necessity should arise, to give us more detailed information regarding the individual items.

Central Office of the Czechoslovak Chambers of Commerce and Industry. ~~CONFIDENTIAL~~

The Secretary General

2. Transmittal of Trade Treaty

Central Office of the Czechoslovak Chambers of Industry and Commerce in Prague

File No. 13056

Prague, 5 August 1948

To All Chambers of Industry and Commerce

Trade Agreement for Exchange of Goods between the CSR and the Soviet Zone of Germany

We are transmitting herewith a copy of the agreement for exchange of goods and for payment between the Czechoslovak Republic and the Soviet Occupation Zone of Germany.

The Central Office of the Chambers of Commerce and Industry

The Secretary General

3. Trade Treaty

Agreement for Exchange of Goods and for Payment between the Czechoslovak Republic and the Soviet Occupation Zone of Germany.

The Government of the Czechoslovak Republic and the Soviet Military Administration (SMA) in Germany, induced by a desire to increase mutual trade relations between the CSR and the Soviet Occupation Zone of Germany, have concluded the following agreement.

Article 1

The Government of the CSR, during the period of validity of the agreement, gives its consent to the export from the CSR into the Soviet Occupation Zone of Germany of those goods which are contained in the lists of allocations (List 2 of

goods cited in the lists of allocations (List 1 of which is attached to the agreement), and the Czechoslovak Government gives its consent to the import of these goods.

Both treaty partners, within three months after the signing of the treaty, will agree upon further lists of allocations, which will become parts of this agreement.

CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY

U.S. OFFICIALS ONLY

Article 2

The lists of goods, in accordance with Article 1 of the agreement, can be altered and supplemented by common consent of the treaty partners.

Article 3

CONFIDENTIAL

The mutual deliveries of goods in accordance with Article 1 of this agreement will be carried out on the basis of agreements between Czechoslovak firms, organizations, and persons who have been authorized by the Ministry of Foreign Trade of the CSR, and organizations and firms of the Soviet Occupation Zone of Germany, who have been authorized by the Administration for Foreign Trade of the SMA, Germany. Both treaty partners guarantee the conclusion of these agreements by the end of October 1948.

Article 4

Prices of the goods, as well as all [REDACTED] laid down in this treaty, will be included according to Article 3 of this treaty.

Article 5

If not otherwise specified in the agreements concluded in accordance with Article 3 of this treaty, these goods will be delivered as follows:

From the Soviet Occupation Zone of Germany to the CSR, f.o.b. to the CSR-German frontier or f.o.b. a German Elbe port;

From the CSR to the Soviet Zone of Germany, f.o.b. the CSR-German frontier or f.o.b. a Czechoslovak Elbe port.

Both treaty partners will assist each other in procurement of railroad transportation facilities and renting of ship space, so that the engagements arising from the agreements contracted in accordance with Article 3 of this treaty can be met.

Article 6

Payments for the goods delivered on the basis of the agreements concluded in accordance with Article 3 of this treaty, as well as payments for expenses connected with the deliveries, will be effected by means of the Czechoslovak National Bank in Prague and the Garantie-u. Kreditbank (Garkrebo) in Berlin, Jaegerstrasse 49/50. For this purpose, the above-mentioned banks will open interest-free accounts with each other in US dollars, and will keep each other informed of payments made into these accounts. As soon as such notification is made, the bank in question will make a corresponding payment to the firm or organization, without consideration for the balance in the account. The payment for mutual deliveries will be made in dollar credits which the buyer will deposit in favor of the seller in the bank located in the country of the seller. The dates for depositing dollar credits as well as payments made against such credits will be laid down in the agreements concluded in accordance with Article 3 of this treaty.

Article 7

The Czechoslovak National Bank and the Garantie-u. Kreditbank will reach an understanding concerning the technical execution of the calculation necessary for the agreements concluded in accordance with Article 3 of this treaty.

Article 8

CONFIDENTIAL

For the purpose of supervision and control over the carrying out of this treaty, the Foreign Trade Ministry of the CSR and the Administration for Foreign Trade of the SMA, Germany, will name representatives who will meet as necessary, requires, or at the wish of one of the treaty partners, but at least once every [REDACTED]

CENTRAL INTELLIGENCE AGENCY

- 4 -

Article 9

After expiration of the period of validity of this treaty, in the event that a debit on the part of one of the treaty partners appears in the accounts mentioned in Article 6, the indebted party is obliged to clear its indebtedness within three months by means of supplementary deliveries of goods, following agreement of the treaty partners to the terms.

Article 10

All alterations and supplements to this treaty come into effect only when they have been concluded by the representatives of both treaty partners, who have been specifically authorized, and when they have been drawn up in writing.

Article 11

This treaty becomes valid the day it is signed and will remain valid until 30 June 1949.

If the treaty is not extended for a further period of time, its provisions will be valid until complete settlement of the mutual obligations which will have arisen as a result of the agreements concluded during the validity of the treaty.

Drawn up in Berlin on 17 July 1948 in two originals in Czech and German, the wording of both being authentic.

For the Government of the CSR

DASTICH

For the SMA, Germany

CERNIAK

CONFIDENTIAL

~~SECRET~~/CONTROL
U.S. OFFICIALS ONLY

Page 4

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

APPENDIX A

List 1

Imports from the Soviet Occupation Zone of Germany into the CSR

Section	No.	Goods	Quantity	Amount in US Dollars
7	1	Iron alloys: Ferro-silicon 45% Ferro-silicon 75% Chromite	500 tons 500 tons 100 tons	
3,9	2	Rock salt	85,000 tons	
9	3	Potash with 40% potassium oxide content	10,000 tons	
6	4	Fluorspar	3,200 tons	
8	5	Textile machinery		300,000
8	6	Agricultural machinery and equipment		100,000
8	7	Spare parts for tractors		500,000
8	8	Spare parts for machinery		500,000
8	9	Office machines (Kanzleimaschinen)		100,000
8	10	Various machines		200,000
8	11	Movable regenerators for oil purification		5,000
8	12	Clamps (Klemmen) for lathes		3,000
8	13	Needles for textile machinery		200,000
7	14	Sectional chains (Gliederketten), type Galle		1,000
8	15	Equipment for electrical works		40,000
8	16	[REDACTED]		2,000
8	17	Silicon carbide rods		1,000
8	18	Special light bulbs		15,000
8	19	Precision and optical instruments		50,000
6	20	Optical raw glass	24 tons	
6	21	Ampules		100,000
6	22	Fiolaxroehren	20 tons	
8	23	Goggles for welding		1,000
8	24	Thermometers, various types		30,000

CONFIDENTIAL

CONFIDENTIAL

~~SECRET/CONTROL~~ - U.S. OFFICIALS ONLY

25X1A

CENTRAL INTELLIGENCE AGENCY

Section	No.	Goods	Quantity	Amount in US Dollars
6 6	25	Porcelain for electrical use	CONFIDENTIAL	300,000
6 6	26	Porcelain for technical use		70,000
6	27	[REDACTED]	90 tons	
6	28	Modelling plaster	500 tons	
6	29	Crushed (chips)	1,000 tons	
6	30	Magdeburg chalk	20 tons	
6	31	Fireproof clay	1,000 tons	
6	32	Grindstones	10 tons	
8	33	Burners for gas lamps		2,000
5	34	Igelit	400 tons	
5	35	Buna	5,000 tons	
5,6	36	Insulating and packing material		1,000
4	37	Photographic paper		20,000
4	38	Moviemaking film	25X1A	50,000
9	39	Chemicals, specified below (Comment: see specifications immediately following this list.)		
9	40	Lignite tar	13,000 tons	
9	41	Dyes for ceramic industry	0.17 tons	
7	42	Zwickau coke, size (Koernung) A	200 tons	
	43	Electrical current	5,000,000 KWH	
4	44	[REDACTED]	150,000 sheets	
4	45	News print	500 tons	
3	46	Flower seeds		6,000
3	47	Turnip seeds	100 tons	
4	48	Spare parts for musical instruments		20,000
4	49	Piano mechanisms (Klaviermechaniken)	100 units	
4	50	Musical and tennis springs	20,000	CONFIDENTIAL 100,000

CONFIDENTIAL~~SECRET/CONTROL~~
U.S. OFFICIALS ONLY

Page 34

~~SECRET/CONTROL~~ - U.S. OFFICIALS ONLY

~~SECRET/CONTROL~~ - U.S. OFFICIALS ONLY

25X1A

CENTRAL INTELLIGENCE AGENCY

Section	No.	Goods	Quantity	Amount in US Dollars
4	50	Mouth harmonicas (in return for List 2, item 60)	5,000	5,000
4	52	Mouth harmonicas (in return for List 2, item 36)		20,000
5	53	Hat [REDACTED]		30,000
1	54	Various goods		500,000

~~CONFIDENTIAL~~

Specifications for Item 39 above:

1	Catalysers	20 tons	
2	Montan wax, type Riebeck	400 tons	
3	Potash	250 tons	
4	Magnesium chloride	1,500 tons	
5	Bromium, chemically pure	10 tons	
6	Magnesium sulfate, crystalline	1,300 tons	
7	Caustic potash, solid	40 tons	
8	Caustic potash solution	500 tons	
9	Bromine salt	10 tons	
10	[REDACTED]	500 tons	
11	Kautschol	500 tons	
12	Epsom salts	360 tons	
13	Acetone	50 tons	
14	Formaldehyde	100 tons	
15	Butyl alcohol	10 tons	
16	Palatinol	35 tons	
17	Ellaol	3 tons	
18	Raw phenol	250 tons	
19	Magnesium oxide	5 tons	
20	Hexanol	1 ton	
21	Ceresin	30 tons	
22	Laboratory chemicals		5,000
23	Various chemicals		100,000

~~SECRET/CONTROL~~
U.S. OFFICIALS ONLY

Page 5-5

SECRET/CONTROL - U.S. OFFICIALS ONLY
CENTRAL INTELLIGENCE AGENCY

- 8 -

List 2

APPENDIX B

Exports from the CSR to the Soviet Zone of Occupation of Germany

Section	No.	G	Goods	Quantity	Amount in US Dollars
7	1		Steel alloy, to the value of Item 1 in List 1		
7	2		Metallic antimony	200 tons	
7	3		Special brown coal	6,000 tons	
5	4		Truck tires, according to specifications	12,650 units	25X1A Comment: Quantities for items 4-7 are followed by the abbreviation "kompl.", probably meaning "complete with all parts")
5	5		Tires for private automobiles, with specifications	24,000 units	
5	6		Tires for tractors with specifications	1,000 units	
5	7		Tires for bicycles, with specifications	300,000 units	
5	8		Rubber driving belts		60,000
7	9		Conveyor belts		300,000
	10		V belts	100,000 lm	
11	11		Rubber packing sheets (Gummidichtungsplatten)		5,000
	12		Rubber hose for high and medium pressure		100,000
	13		Fine special rubber		20,000
	14		Surgical rubber		50,000
5	15		Elastic thread		20,000
	16		Elastic rubber products		20,000
	17		High rubber boots	10,000 pairs	
	18		Leather for technical use		20,000
	19		Leather for technical use	3 tons	
	20		Leather driving belts	2.5 tons	
	21		Technical fabrics: driving belts (textile, Igelit, latex), woolen filtering fabric		100,000
	22		Glass fiber (Glasfasern)		10,000
	23		Photographic glass		10,000

CONFIDENTIAL

~~SECRET/CONTROL~~ - U.S. OFFICIALS ONLY

25X1A

CENTRAL INTELLIGENCE AGENCY

APPENDIX BList 2

<u>Section</u>	<u>No.</u>	<u>Goods</u>	<u>Quantity</u>	<u>Amount in US Dollars</u>
25	25	Magnesite (sinter)	1,000 tons	
	26	Magnesite bricks	600 tons	
	27	Talc		60,000
6	28	Sedletz kaolin	1,500 tons	
	29	Kaolin for the paper industry	1,000 tons	
	30	Flints (Silexsteine), 20 x 15 x 10/12 cms.	300 tons	
	31	Tiles for glass industry vats	1,000 tons	
	32	Marble powder and marble meal	2,000 tons	
	33	Lead glazes and frits for ceramics	60 tons	
9	34	Various chemical products, as specified		
9	35	Naphthalene	500 tons	
3	36	Early potatoes (to be exchanged for List 1, Items 51,52)	20,000 tons	
3	37	Hops	250 tons	
3	38	Vegetable and feed seeds, as specified		100,000
3	39	Flower seeds (in exchange for List 1, Item 45) Comment: probably a slip for Item 46)		6,000
	40	Electric current	3,500,000 KWH	
4	41	Cork goods		
		a. Crown fasteners (Kronenverschluesse)	2 million units	
		b. Packing (Dichtungen)	10 million units	
		c. Sheets (Platten)	1 ton	
6	42	Grindstones (silicon carbide and corundum), diameter 200-500 mms., size (Koernung) 30 - 100	12 tons	
7	43	Antimagnetic wire	15 tons	
8	44	Saw-blades for iron	12,000 blades	
8	45	Woodworking machinery, as specified		280,000

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY

25X1A

CENTRAL INTELLIGENCE AGENCY

APPENDIX B1 List 2

Section	No.	Goods	Quantity	Amount in US Dollars
8	46	Metalworking machinery		CONFIDENTIAL 800,000
8	47	Various machinery, as agreed		800,000
8	48	Agricultural machinery		100,000
8	49	"Rotaprint" machines and presses		25,000
8	50	Spare parts for machines		200,000
8	51	Fittings (Armaturen)		30,000
8	52	Various types trucks		750,000
8	53	Locomotives, 500 HP, normal gauge	2 locomotives	
8	54	Various chemical apparatus, forgings (Schmiedestuecke)		100,000
8	55	Tine-plated milk cans, 20-25 l	3000 units	6,000
7	56	Horse-shoe nails	100 tons	
7	57	[REDACTED]	100 tons	
8	58	Razor blades		10,000
4	59	Pencils		12,000
4	60	Musical instruments (to be exchanged for List 1, Item 50) [REDACTED] Comment: probably, Item 51 is meant)		5,000 25X1A
1	61	Various goods		500,000

Specifications for Item 4

7.25 x 20	10,000 units
7.50 x 20	2,000 units
9.00 x 20	350 units
10.00 x 20	150 units
12.00 x 20	100 units
10.00 x 22	50 units
	12,650 units
	12,650 units

CONFIDENTIAL

Specifications for Item 5

5.00 x 16	
4.50 x 17	15,000 units [REDACTED] Comment: it is not clear if this represents the quantity for private automobile tires at 4.50 x 17, or also includes those at 5.00 x 16 and 5.50 x 17, for which no quantity is assigned.
5.50 x 17	

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY

~~SECRET/CONTROL - U.S. OFFICIALS ONLY~~

25X1A

CENTRAL INTELLIGENCE AGENCY

Specifications for Item 5 (cont.)

5.25 x 16	5,000 units
5.75 x 16	3,500 units
6.50 x 17	<u>500</u> units
	24,000 units

Specifications for Item 6Specifications for Item 6

8.00 x 20	
9.00 x 24	1,000 units
11.25 x 24	
12.75 x 28	

Comment: it is not clear if this quantity corresponds to all specifications, or merely 9.00 x 24)

Specifications for Item 34

9	1	Activated carbon, size (Koernung) 3-5 mms.	75 tons
9	2	Retort beechwood carbon	2,000 tons
9	3	Chrome alum	50 tons
9	4	Chem. pure and purified toluol	200 tons
9	5	Various chemicals	50,000

Specifications for Item 38

3	1	Bohemian alfalfa	Comment: no quantities or prices are cited in these specifications)
3	2	Timotheus	Comment: probably Timothy-grass, Phleum pratense)
3	3	White clover	
3	4	Winter vetch	
3	5	Rutabaga	
3	6	Garden leeks	
3	7	Beets	
3	8		

Specifications for Item 45

8	1	Saw-blades for hand-saws	20,000 units
8	2	Saw-blades for circular saws	7,000 units
8	3	Saw-blades for [redacted] saws	20,000 units
8	4	Planing blades	20,000 units
8	5	Axes	20,000 units

~~SECRET/CONTROL - U.S. OFFICIALS ONLY~~

CONFIDENTIAL